

**STATEMENT OF LURITA DOAN  
ADMINISTRATOR OF GENERAL SERVICES  
BEFORE THE  
COMMITTEE ON SMALL BUSINESS  
UNITED STATES HOUSE OF REPRESENTATIVES**

**AUGUST 2, 2007**



Thank You Madame Chairwoman, Ranking Member Chabot, and members of the committee. It is a pleasure to be back before the House Small Business Committee again to testify on the status of small and disadvantaged business opportunities and successes at the General Services Administration (GSA), an issue that is extremely important to me.

I have often said that GSA is a good friend to the small and disadvantaged business community because the GSA Schedule is often the first and best opportunity that a small business has to become a Prime Contractor for the Federal Government. It is not a gift, and participation must be earned, but it does provide opportunity, and, in the United States, an opportunity is all that is needed to place entrepreneurs on the path to success.

Greater involvement from, and greater opportunities provided to, the small business community has been one of my Agency's and personal priorities since my first day as Administrator at GSA. And, I am pleased to report that GSA has made great progress in the past 14 months. But, I will be the first to tell you that, given my goals, given my ambitions for small and disadvantaged business opportunities at GSA, and the groundwork I wish to lay for future stability in this area, there is much more that I hope to accomplish during the time that remains for me at GSA.

I know we are here today to discuss small and minority business challenges and how we can work collaboratively to make more opportunities available to the small business community. Some of the challenges that directly affect small and disadvantaged businesses that I will be addressing during my time as Administrator of GSA are:

- On Time Delivery of Contract Awards
- Reduce time for Award of GSA Schedule Contracts and reduce time for Schedule Contract Modifications
- Bundling
- Increase transparency and standardization of RFP and contract requirements
- Assistance in obtaining higher ceilings on construction bonding
- Increase Opportunities for Veterans,
- Increase Opportunities for HubZone Businesses
- Increase Opportunities for Minority Businesses
- Increase business opportunities in the Gulf Coast Region
- Assist entrepreneurs with opportunities in international markets
- Create new Lines of Business to provide expansion into new markets
- Provide increased training on doing business with GSA
- Provide opportunities for small business to play a greater role in energy efficiency initiatives

GSA has two opportunities to make small and disadvantaged business opportunities available, first through the goods and services that we procure on behalf of our Government client agencies, and second, through the goods and services that GSA procures for our own internal use.

GSA has had some challenges in meeting its target goals since GSA, traditionally, has chosen to give the small business credit for procurements back to its Government customer agencies on whose behalf we are purchasing goods and services. As a result, GSA always comes up a little short in the overall statistics each year. However, internally, on procurements that are completely within GSA's control and purview, I am pleased to report that GSA has an excellent record. My goal is to ensure that GSA excels on both external and internal procurements.

GSA has had some outstanding successes. The award of contracts to 44 companies under the VETS GWAC valued at \$20 billion dollars provides all of our Government customers with cost effective pricing and an opportunity to meet or exceed its Service-disabled veteran-owned small business goal.

One of our more recent procurements, for example, GITGO, the internal GSA Information Technology Support contract, is valued at \$200 million and was awarded last quarter to a service –disabled veteran-owned, 8(a) company.

Another way that GSA is trying to bridge gaps is to increase opportunities and assist entrepreneurs with finding prospects in international markets. To that end, I recently met with my counterpart from the Republic of Korea to discuss ways that our small business contractors could have access to Korean markets and participate in reciprocal mentoring opportunities. This is only one of several of GSA's counterparts in other countries that we are engaging in dialogues to find ways to further the opportunities for commerce for small businesses.

On behalf of our many Government customers, GSA looks forward to the award of Alliant Small Business in the near future, a government-wide acquisition contract that will make it easier for GSA's many Government customers to have access to additional small and disadvantaged businesses and have access to their innovative products and services.

I have an excellent and committed team of procurement professionals, and I am going to keep cutting red tape and pushing to make sure that any small company is going to have a much easier time doing business with GSA.

### **Holding Prime Contractors Accountable**

One of the truly aggressive innovations to serve the small business community, and an initiative of which I am quite proud, is the modified invoice format that GSA is requesting in its upcoming internal procurements. GSA intends to lead

by example in the area of greater accountability in small and disadvantaged business contracting. Prime contractors, who are not small businesses, are asked to track on each invoice all subcontractors who have performed work billed under a particular invoice. The prime is also asked to indicate what percentage of the value of the contract that work constitutes, both for the current invoice and for the overall contract. In this way, the GSA contracting officers and project managers can ascertain if prime Contractors are achieving the agreed upon goals.

### **Making Opportunities Available Faster**

One concrete improvement we have made during my first year involves helping small businesses navigate their way through the GSA schedule process. Though many doubted it could be done, we are seeing successes in slashing the time it takes for a small company to negotiate a GSA schedule from over 157 days to in some cases 30 days. In addition, we are also applying these same efficiencies to the process of negotiating and awarding contract modifications.

We're going to keep pushing to make sure that any interested and qualified small firm can submit an offer to obtain a Schedule contract, that we do a thorough job of tracking that participation, and that we continue our numerous outreach events aimed at educating small businesses on how the process works.

### **Increased Transparency in GSA Processes**

GSA is focused on making its processes transparent to its small business partners. To that end, GSA has continued to host a series of monthly training and outreach sessions in cities throughout the US. In addition, GSA has been revamping its IT procurement systems to ensure they are more user friendly for our customers and for our business partners.

### **Increased focus on Revitalizing the Gulf Coast Region**

On a national level, GSA has significantly increased its spending on small businesses to \$1.7 billion. More than 32 percent of all procurement dollars spent by GSA are going to small business. However, in the Gulf Coast states of Alabama, Mississippi, and Louisiana, GSA continues to outperform our already impressive national small business numbers. I am proud to tell you that, for the 3<sup>rd</sup> quarter of Fiscal Year 2007, April 1 through June 30, 2007, over 79% of contracting actions and over 62% of contracting dollars for work done in the Gulf Coast States of Alabama, Mississippi and Louisiana have gone to small businesses.

The Greater Southwest Region of GSA has issued seven new prime contractor awards to Louisiana small business firms for work in the State of Louisiana.

Last June, the small business firm, Argote, Derbes, Graham, Shuffield and Tatje of New Orleans Inc. received a task order to update an appraisal for the former Department of Energy Weeks Island Facility in New Iberia, Louisiana.

The small business firm, Braithwaite Construction Company Inc., of Meraux, Louisiana, received two task orders. Last April, they received an order to repair water drains in the elevated walkways at the entrance to the Hale Boggs Federal Building Courthouse in New Orleans. In June of this year, Braithwaite received a task order for the installation of vehicle crash barriers at the entrance and exit ramps to the basement parking at the John Minor Wisdom Courthouse in New Orleans.

Last May, the small business firm, Moses Engineers, of New Orleans, received a task order for pre-design analysis of space renovations at the Border Patrol Station in New Orleans.

The small business firm, J. Graves Insulation of Shreveport, Louisiana received two task orders in May 2007 for asbestos abatement work in New Orleans. The first task order was to abate the 1st, 2nd, 3rd and 4th floors of the US Custom House in New Orleans. The second task order was to abate the switchgear room floor tile in the Hale Boggs Federal Building Courthouse in New Orleans.

The small business firm, American Moving & Storage of Leesville, Louisiana also received a task order last May for relocation services for the FBI Offices in Shreveport.

### **Increased Opportunities in Emergency Response and Recovery**

As a native of New Orleans, and a former small business owner, I understand the importance of small businesses in New Orleans. One of the reasons I accepted President Bush's nomination to become the Administrator of GSA is because I knew that I could retool GSA's abilities in national emergencies and disasters.

Since I became Administrator, GSA has completely retooled our emergency response capability, and created a single Office of Emergency Response and Recovery that reports directly to the Administrator. In this way, all of GSA's abilities and resources have been more sharply focused and our ability to respond more quickly has been fundamentally improved. When the next hurricane or disaster strikes, GSA will be much better prepared and organized to respond.

GSA employees have engaged their innovative energies and are continually finding new and better ways to save taxpayer money and help our folks in the Gulf Region. One example of that is the GSA Disaster Response Vendor database. This database, the most comprehensive of its kind, has over 1,400 companies listed. We are certain that it will be a significant asset after future disasters.

Another innovation is our new Disaster Recovery Purchasing program for state and local Governments. This program allows state, local and tribal agencies to access the GSA Schedule to speed recovery from a major disaster or act of terrorism. The Cooperative Purchasing initiative means increased opportunities for small businesses which are located in these communities and is one of the reasons that the transformational change we have made in the time it takes to award Schedule contracts and process Schedule contract modifications is so very important.

During my first year as Administrator, GSA has had some good success in opening doors to small businesses and in retooling our abilities to meet the next national emergency. As I reported in April, I directed that the restoration of GSA's most historic property in New Orleans, the US Customs House, have subcontracts performed by small, minority, **locally**-based companies. Our commitment on the GSA flagship property of the New Orleans' US Customs House echoes a much larger commitment that GSA has to small and minority businesses.

Madame Chairwoman and members of the committee --- I know from first hand experience that the Gulf South is a hot bed of entrepreneurialism. As a Black woman and former small business owner, I am extremely passionate about removing bureaucratic barriers that stand between small, women, service disabled veteran, HubZone and minority businesses and Government contracting opportunities. I have worked hard to initiate changes that would make GSA more efficient in serving our client agencies and in helping small businesses do business with the Federal Government.

I have made seven official trips to the Gulf Coast region since becoming GSA Administrator and will be going back again next week. GSA hosted or participated in more than 25 small business events in the Gulf Region, and we are going to have more national and regional conferences there. Next week, on August 9, we will be holding another small business outreach conference at the World Trade Center in New Orleans. We are directly bringing value by making more opportunities available for local businesses. By bringing the Federal Government conferences to this area, we indirectly are helping small and local business owners around the region by bringing in business that would otherwise go to a different place.

### **Creating a Culture of Innovation**

GSA is doing some real good in the small and disadvantaged business community, but there is always more that we can do, and the GSA management team is working to instill, in its procurement professionals, a commitment to a culture of innovation and continual improvement.

I am one of the few Government agency heads who was an entrepreneur, who was a former small and minority business owner, and who was also a Federal Government contractor. I can speak from experience when I say that starting a business is hard, that sustaining and growing a business is even harder and that doing business with the Federal Government is perhaps, sadly, hardest of all. I am determined, as the Administrator of GSA, to do whatever is within my power to ensure that doing business with GSA is not one of those hardships.

I understand and appreciate what it takes for small firms to succeed. They are not looking for handouts and they have the will and the drive to compete for opportunities. Our country needs this competitive spirit. You won't find an agency more committed than GSA or an agency head that is more passionate about this cause than I am.

Small businesses are vital to the success of our economy and our country. Starting from our very origins, small business owners, such as Paul Revere and Ben Franklin, have made this country great. Entrepreneurship is a great American tradition that has formed the bedrock of our country's phenomenal growth and economic success and, it will create the momentum of our country's future successes. I intend for GSA to be one of those Government agencies that provides the opportunities that make the successes possible. You have my commitment that I will persevere, and you have my promise that if it's broken, I will work to fix it.

Thank you again for this opportunity. I look forward to further discussion of how we can increase small and minority business opportunities in Federal Government procurements.